

PERFORMANCE BOND

For the Tennessee Department of Environment and Conservation, Division of Water Resources, Mining Section

Date bond executed: _____

Effective date: _____

Principal: (legal name and business address of owner or operator)

Type of organization: (insert "individual," "joint venture," "partnership," or "corporation")

State of incorporation: _____

Surety(ies): (Name(s) and business address(es)) _____

Permit number, name, address, and bond amount(s) for the site guaranteed by this bond: _____

Total penal sum of bond: \$ _____

Surety's bond number: _____

KNOW ALL PERSONS BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto are firmly bound to the Tennessee Department of Environment and Conservation (hereinafter called Department), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assignees jointly and severally; provided that where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS the above named Principal did on the ___ day of _____, _____, file with the Mining Section an application to engage in surface mining and reclamation operations in the state of Tennessee; and that in said application the Principal estimates that on the site designated as _____, _____ acres of land will be affected by surface mining operations during the period of _____ following the date of the beginning of the permit issued pursuant to the aforesaid application requiring the bond and by reclamation operations during the period of liability prescribed under T.C.A. § 59-8-209. Said obligation is applicable to the entire permit area specified in the approved application.

NOW, THEREFORE, if said Principal shall successfully complete all surface mining and reclamation operations in accordance with the approved reclamation plan pursuant to T.C.A. § 59-8-208 and T.C.A. § 59-8-209 and achieve compliance with all of the requirements of T.C.A. § 59-8-201 et. seq.; regulations lawfully promulgated pursuant to T.C.A. § 59-8-201 et. seq.; the regulatory program and the permit, including the revegetation requirements specified under T.C.A. § 59-8-209, OR, if the Principal shall provide an alternate bond or financial security, and obtain the written approval of such assurance from the Commissioner of the Department (hereinafter called Commissioner), within 90 days after the date of notice of cancellation is received by both the Principal and the Commissioner from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by the Commissioner that:

the Principal has been found in violation of his permit, T.C.A. § 59-8-201 et. seq., or Rules promulgated pursuant thereto; or

the Principal has failed to provide alternate bonding or financial security and obtain written approval of such bonding or financial security from the Commissioner during the 90 days following receipt by both the Principal and the Commissioner of a notice of cancellation of the bond,

Then, the commissioner shall cause a notice of noncompliance or order of permit suspension to be served upon the operator. The notice of noncompliance or order of permit suspension shall specify in what respects the operator has failed to comply with his permit, T.C.A. § 59-8-201 et. seq., or Rules promulgated pursuant thereto. If the operator has not reached an agreement with the commissioner or has not complied with the requirements set forth in the notice of noncompliance or order of suspension within the time limits set therein, the permit may be revoked by order of the commissioner and the performance bond shall then be forfeited to the commissioner. When a bond is forfeited, the commissioner shall give notice to the attorney general who shall collect the forfeiture.

The Surety(ies) hereby waive(s) notification of amendments to the permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of the said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the owner or operator and to the Commissioner, provided, however that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the Commissioner, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies) and the Commissioner, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the Commissioner.

IN WITNESS WHEREOF, The Principal and Surety(ies) have executed this PERFORMANCE BOND and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording of this surety bond is identical to the wording provided by the Commissioner.

PRINCIPAL

(Signature(s))
(Name(s))
(Title(s))
(Corporate seal)

CORPORATE SURETY(IES)

(Name and address)
State of incorporation: _____
Liability limit: \$ _____
(Signature(s))
(Name(s) and title(s))
(Corporate Seal)
(For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.)

Bond premium: \$ _____